



*Republic of Croatia
Ministry of Foreign and European Affairs
First Deputy Prime Minister and
Minister*

Zagreb, 30 July 2015

Dear Mr Timmermans, dear Frans,

Thank you for your letter of 28 July 2015.

Concerning the arbitration between Croatia and Slovenia, I wish to draw your attention to the most recent developments, most notably yesterday's unanimous Ruling of the Croatian Parliament which put the Government under an obligation to begin the procedure of termination of the Arbitration Agreement, for reasons of material breach of its provisions by Slovenia. For your convenience, attached to this letter please find the Prime Minister's and my own remarks yesterday in the Croatian Parliament, as well as a non-paper outlining Croatia's views on this matter.

The fact that the Slovenian Agent continuously, for well over a year, acted in collusion with a Member of the Tribunal to manipulate with influence over other Members of the Tribunal and to change the factual record of the case by inserting additional Slovenian "evidence" and "arguments" into the official records of this case makes it impossible to distinguish between evidence which is part of that record legally and evidence which is part of it as a result of illegal behaviour. The arbitration process as a whole has been to such an extent compromised that Croatia is confident that it cannot continue in this or any similar form. Because of Slovenia's unprecedented and persistent serious violations of the provisions of the Arbitration Agreement, the Arbitral Tribunal is simply precluded from fulfilling its mandate. Sets of transcripts of conversations between the two, which I also attach, clearly show the width and depth of Slovenia's breach of the Agreement.

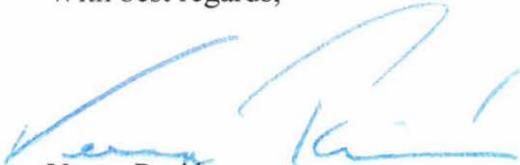
Mr Frans Timmermans
First Vice-President of the European Commission

cc.
Mr Jean-Claude Juncker
President of the European Commission

Croatia deeply regrets this course of events. The unresolved boundary between our two states is as much an open issue for Slovenia as it is for my country. Croatia therefore remains committed to finding a solution to this question in accordance with international law, aware of the fact that good neighbourly relations between our two states, NATO allies and partners in the EU, have no alternative.

Finally, I would greatly appreciate if I can meet with you in Brussels at a time of your earliest convenience and personally acquaint you with Croatia's views.

With best regards,



Vesna Pusić